

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

I. Participation in the Government-wide Streamlining and Grants.gov Efforts

The National Endowment for the Arts (NEA) has continued its active participation on the interagency work groups, subgroups, and specially-formed teams, assisting with the government-wide streamlining and Grants.gov efforts. More than ten staff members participate on the **Pre-Award**, **Post-Award**, and **Grants.gov** work groups and **subgroup spin-offs**, from an agency with approximately 160 people. That is more than **6%** of our agency staff.

Our Director of Grants & Contracts, Nicki Jacobs, represents the agency on the **Pre-Award Work Group**. As a member of the subgroup, Ms. Jacobs provided input and support for the establishment of the new Title 2 in the Code of Federal Regulations (CFR). As a member of this subgroup working on national policy requirements, she is also assisting with the development of a proposal to OMB regarding a policy on the use of certifications and assurances.

Two members of our Grants & Contracts office are actively participating in the Pre-Award Work Group's effort to develop an approach for establishing award terms and conditions that will eliminate unnecessary differences between the Federal agencies requirements and OMB's government-wide guidance. They will also be rewritten in "plain English." In particular, Janice Joyce, Senior Grants Specialist, serves on this **Administrative Requirements subgroup** charged with developing the initial recommendations for the larger Pre-Award Work Group. Ms. Joyce was also active on the **Cost Principles subgroup**, which completed its most recent work when OMB published a final *Federal Register* notice on May 10, 2004, making 45 changes as supported by public comments and the Federal agencies.

Ned Read, Special Assistant to the Deputy Chairman for Management & Budget, participates on the **Post-Award Work Group**.

We have a team of people representing the Agency on the **Grants.gov work group**. Our Guidelines Officer, Jillian Miller, leads a team of seven. It should be noted that the NEA is a small agency with limited resources. The NEA cannot assign dedicated staff members to its Grants.gov team; all members carry out Grants.gov requirements in addition to their other responsibilities. Ms. Miller implemented and monitors the Agency's participation in **Grants.gov FIND**. She also leads the NEA's participation in **Grants.gov APPLY**, working closely with Grants.gov Program Management Office staff and associated Grants.gov consultants. In addition, she chairs the **Arts & Humanities work group** that represents the Arts Endowment, the Humanities Endowment, and the Institute of Museum and Library Services. These agencies received permission from Grants.gov and OMB to propose a slightly altered version of the Standard Form 424 that would be used by the cultural agencies (as well as any other Federal agency that might find this simplified version more appropriate) for their application packages for organizations on Grants.gov. More recently, the Arts & Humanities work group was

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

asked by Grants.gov staff to develop a form and data set for applications for *individual applicants*. The group has accepted the assignment and work will begin by the end of the summer. Finally, Chief Information Officer Mike Burke has been selected to serve in a rotating position on the **Grants.gov Executive Board** July 2004 – December 2004.

The three National Foundation on the Arts and the Humanities agencies (NEA, NEH, and IMLS) sometimes share staff resources to the benefit of the agencies and the Streamlining and Grants.gov efforts. This is the case for the **Grants Management Line of Business Task Force**, and the Arts Endowment's interests are represented by Brett Boley, the CIO of the National Endowment for the Humanities.

II. Internal Efforts to Create an Environment Conducive to Grants Streamlining and Simplification and Assess Impact of Changes

General Approach

Since 1996, the NEA has centralized and begun implementing many of the grant streamlining activities that surfaced under P.L. 106 – 107, giving our Agency a head start in simplifying and accommodating agreed upon inter-agency proposals and policies.

Our funding opportunity announcements and application requirements are reviewed regularly internally and by a wide variety of representatives from the field. Some of the individuals involved have been responsible for completing applications in the past. Others, as panel members, have taken part in the application review process. These reviews assure that only essential information is requested and that it is as non-duplicative and streamlined as possible.

The NEA's senior management fully supports the Federal grants streamlining process. The staff people who serve on the numerous work groups and teams cross the agency's **programmatic, administrative, policy** and **IT** areas. Collectively and individually, the staff members' supervisors (all senior management) have designated and supported our representation in the effort.

As a small Agency, the NEA is fortunate that its streamlining and Grants.gov representatives work closely and keep each other apprised of the teams' efforts. As such, internal e-mails and reports updating senior management and other key staff are provided regularly as work group products progress. Senior management, including our deputies, general counsel, Inspector General, guidelines (funding opportunities) staff, among others, is always offered the opportunity to comment on draft products, proposed policies, and *Federal Register* notices. In addition, meetings have been held to review ongoing activities in these areas.

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

In a continuing effort to enhance the effectiveness and efficiency of our programmatic activities, the Agency has consolidated its programmatic goals from three to two. This was coupled with a reorganization of the Agency's grants management process according to a discipline-centered approach that reduces Agency bureaucracy, increases efficiency, and better serves our applicants.

During 2003-2004, the establishment of the policy to require a DUNS number from applicants for Federal Financial Assistance opportunities saw a team that included Program, Grants, Communications, and Guidelines policy staff implement an outreach program to our constituents. We used our Web site, outreach workshops, and the networks of our partner service organizations (e.g., State Arts Agencies, Regional arts organizations, discipline service organizations such as Theater Communications Group and the American Symphony Orchestra League) to further the reach, as well as direct mail.

Additional streamlining opportunities are being looked at carefully within the Agency. For example, staff developed a small pilot with organizations from the visual arts and design field to receive electronic notification of a recommended award, rather than mailing the notification. The pilot worked well for the applicants, but was a burden on the Agency staff and its old database system. The cost of the Agency's personnel, IT, and financial resources for these efforts have to be weighed against added value for constituents.

III. Implementing the Recent Changes Affecting the Pre-Award Process

A. Grants.gov FIND

The NEA has participated in this effort since its inception, including actively working on data elements, proposing changes to the pilot, and offering policy guidance. We're pleased to say we began announcing our opportunities in May 2003, five months before the requirement for Agencies to participate in Grants.gov FIND. Currently 100% of our funding opportunities – both discretionary and mandatory – are being synopsisized on this site. No changes have been necessary to accommodate these requirements (we use the Web-based system), which now is part of our established business practices. The NEA does not publish its funding opportunities in the *Federal Register*; therefore, the elimination of this step is not necessary. However, the implementation of Grants.gov FIND has added a step to the announcement process for the Agency. To date, we have not received any feedback from potential applicants on the utility of the site. Most applicants to the NEA access information through the Arts Endowment's own Web site.

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

B. Announcement Template

We were actively involved with the development and implementation of the Government-wide Announcement template. As the template evolved, we carefully planned how it would impact our guidelines and announcement formats. Our agency had already streamlined these documents, starting as early as 1998. At that time a concerted effort was made to make our announcements, forms, and reporting requirements consistent across funding programs. All guidelines for grant opportunities are developed and issued from a central office, the office of Guidelines and Panel Operations. During its development the senior management, program, and grants staff were kept apprised through e-mail updates, briefings, and review of all *Federal Register* notices associated with the template. We were pleased that in the final outcome of the announcement template, we were already 95% in compliance with the format and required content.

Beginning with funding opportunities for FY 05 awards (application deadlines in FY 04) the announcement template was implemented for 100% of our funding opportunities, both discretionary and mandatory. Our opportunities have been published on our Web site for years, are available through a Grants.gov FIND link, and can be printed out in Word or PDF. No policy changes have been necessary. To date, we have not received any feedback from potential applicants on the template. However, given that our funding opportunities already were 95% in compliance with the format and required content, there has not been a significant change for our applicants.

C. The Grants.gov Portal and Electronic Applications

As previously mentioned, the NEA employs a team effort to work with Grants.gov, encompassing IT, programmatic, grants, guidelines, communications, and policy staff.

The NEA submitted its “ramp up” schedule in November 2003 in advance of the OMB direction issued in January 2004. In the spring of 2004, the NEA team attended training and completed the data analysis of its first category scheduled to receive applications through Grants.gov, the *Arts on Radio and Television (ARTV)*. The data mapping for ARTV was submitted to the Grants.gov Program Management Office in April 2004. We expect that the application package will be available to applicants in August 2004 in advance of the September 2004 application deadline. To ensure successful applications through Grants.gov, the agency has been working with previous ARTV applicants to make them aware of Grants.gov and assist them in the registration process (e.g., the DUNS requirement, Central Contractor Registration, etc.).

Our IT team members have been obtaining information to begin determining the changes that must be made to ensure our ability to download and accept XML, PDF, and other required information. A system interface must be created.

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

Based on our experience with ARTV, we will design policy and procedures for implementing a new way of doing business. Information will be provided for all affected staff, with follow up meetings to gather input, discuss related plans, and establish implementation timelines. Ultimately, senior management must approve recommendations for resource allocation, and process and policy changes. Pending the successful completion of the ARTV pilot and the Arts & Humanities alternate SF 424, the Agency will begin placing application packages for its other funding categories on Grants.gov.

To date, the most significant barrier that has been identified for applicants is the cumbersome process that they are required to go through to register for Grants.gov. The multi-step, multiple-provider, time-delayed process that is required is daunting and off-putting to many. Given that those who register now will have to repeat some of the registration steps when the new e-authentication gateway is put in place, the Agency has become reluctant to encourage applicants to preregister. This is coupled with difficulties experienced by our applicants in obtaining DUNS numbers. In particular, we had applicants that were harassed when they wouldn't purchase DUNS services. Applicants were told that they would have a "bad report" which would hurt their credit and chances for grants. We also heard from a number of applicants in February and March when they couldn't reach anyone at Dun & Bradstreet (D&B), holding on the phone for more than an hour and a half. When we heard from these applicants we immediately reported the problems to D&B and OMB.

A barrier for the Agency is the amount of time that forms development takes once data analysis and forms are submitted to Grants.gov. Due to the appropriations process, in many cases the amount of time between the posting of a funding opportunity announcement and an application deadline is only three months – the amount of time Grants.gov requires for forms development. While we recognize that, once developed, forms will be in place for later use or modification for all of our categories, the three-month Grants.gov forms development time makes it less easy to place initial application packages on Grants.gov.

IV. Other

During the period covered by this report, the Agency implemented Phase II of an E-APPLY system for our State Arts Agency (SAA) and Regional Arts Organization (RAO) partners. By statute, the NEA is required to provide 40% of its grantmaking funds to these 56 state arts agencies and their regional arts organizations, subject to our approving their annual plans. These are considered mandatory grants, which continues to be explored but not available as part of Grants.gov. Because these are the only eligible applicants, the Agency worked in partnership with Carnegie Mellon University's Heinz School of Management to implement an E-APPLY system that was already in use by many SAAs and RAOs, providing extraordinary streamlining. Phase II allows the

NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2003 – May 2004

applicants to submit budgets after they have been informed of the exact amount available for their awards. The data submitted is electronically deposited into our current grants management database.

Our pilot to accept Literature Fellowship final reports electronically (that we mentioned as an upcoming project in last year's report) was also successful. The option was made available to our Literature Fellows in May of 2004. As many of these individuals move and travel extensively, the ability to create their report and submit it with the "push of a button" was extremely appealing.

Last, but not least, in May we also launched *Grant-at-a-Glance*. National Endowment for the Arts award recipients can now access information on our Web site regarding their official grant record. Grantees can display general information concerning an award, such as their period of support and when their reports are due; track a payment request; and find out if forms they mailed or faxed to the NEA have been received. This is the first time in the history of the NEA that grantees have been able to obtain this information about their records without the need to speak with someone on the phone. Extensive agency development and testing, along with a grantee pilot, enabled us to make this available for our grantees after only nine months of development.